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Curious tendencies develop in a declining market which furnish food for the protectionist doctrine. Western farmers, particularly wheat growers of the United States, have petitioned President Wilson to place an embargo on the importation of Canadian wheat. President Wilson has taken no action up to the present and we doubt whether or not his common sense would permit him to do so. In the meantime the Canadian farmer is not over happy with the steady retrogression in the price of wheat, but he can petition no Government to maintain the price level of his product. The Canadian instance is that of sugar. Canadian refineries have petitioned the Government to place an embargo or to penalize the shipment of low-priced sugar into Canada. A debacle has occurred in the Cuba sugar speculation and Cuba has resorted to the unfortunate course of declaring a moratorium. It is highly probable that the Canadian Government will take no action in the premises.

Another phase of the movement lies in the action which American cotton planters are taking with regard to cotton gins that insist on ginning the present crop, increasing the available supply and thereby tending to decrease the price. As this progress of readjustment in price continues, we anticipate that economic movements of this character will become much wider and cover all classes of commodities affected by declining prices.

In the whole trend, the idea of the best interests of the consumer and the benefit that he would derive does not seem to enter the heads of those clamoring for protection. So far as producers and distributors are concerned the consumer is looked on as legitimate prey and one of whose interests little consideration need be given.

The idea of a popular loan to be issued in the Province by the Honorable John Hart, Minister of Finance, must take into account the very successful sale of \$1,000,000 in bonds at a price net to the Province of approximately 5.84 per cent interest. The bonds, however, are payable in New York exchange as well as at Victoria and the problem of a popular loan is further complicated by reason of the exchange question as to the probability of the rate when the bonds mature five years hence. The Finance Department is to be congratulated upon receiving such an excellent price for its securities, showing that there is a growing interest in the United States, particularly on the Pacific Coast, in British Columbia, and the firm opinion there widely held that a British Columbia security is a sound security and that its credit is high.

Due to the present price of Victory bonds it seems unreasonable that a public issue of Provincial bonds would receive wide public participation unless offered at a rate yielding approximately 6½ per cent interest, or about the yield of the taxable Victory bonds. There would be here an apparent loss of three-quarters of one per cent per annum in yield to the Province, assuming that the exchange rate would be at par at the time of maturity of the bonds, but if this expected does not happen, then the Province would be not as well off as present probabilities would indicate.

The widely advanced argument that Provincial debt should be owed to its own citizens carries great weight and should be given that extra consideration when the definite determination of the question is settled. The forthcoming issue of bonds will be for public improvements, a great part of which will be self-sustaining through income derived and the experience of recent Victory loans goes to show that the people of British Columbia are fully capable of carrying on their Governmental expenditures out of the resources of its citizens. The tendency of the citizen to take a deeper interest in the financial progress and condition of his Province because of his holding of Provincial debt is a vital consideration and may be worth the undertaking if it does not involve too serious a financial loss.

The question of the Finance Minister resolves itself into one of two questions. Shall he speculate with exchange on the probability that the exchange rate will be at parity when his bonds mature and receive a higher price than he could receive from a popular issue, but held by the citizens of the Province, or sacrifice the present price of the benefit of having Provincial bonds held by the citizens, and know exactly what he has to provide for?

There exists a widespread pessimism with regard to the lumber industry which we think is considerably overdrawn and future events will prove that the lumber industry is not in as serious a situation as is so currently held. While it is true that logs are accumulating, lumber mills are operating on a basis far from capacity and shingles are a drug on the market, the situation is frankly not comfortable, yet the current pessimism is not warranted.

The lumber business is characteristic, as Andrew Carnegie describes steel "prince or pauper." Those in the lumber business make money very fast when business is active and then make very little profit or cease to operate during lean times. For the past two years business has been very active with spectacular rises in price. Since spring there have been successive reductions in price and some springing up of demand was about to occur when both the United States and Canadian Governments permitted a rise in freight rates which have been especially severe on lumber. Awaiting the adjustment of the public mind to the new scale of prices brought about by the freight rate advances, the lumber industry is in the doldrums, but cannot remain long so. To local consumers for house building, the lumber item is not as large a one as it was during the high prices of last year, and is really at present much below the proportionate rise in other lines of materials that go into house building. When furnaces, plumbing supplies and builders' hardware decrease in price, and with greater efficiency of labor, then housebuilding will be commenced on a more active scale. Potentially the lumber industry is in a remarkable position for activity, and sooner or later housing accommodation will have to be furnished to a very large number of people and still increasing. Any dullness in the trade must be viewed in the light of this potential demand and the question is rather as to when this demand will spring up and assume larger proportions than at present, than due to any necessity for stimulating other markets or anything inherently wrong in the business itself.